infrastructure entities and inadequate private investment in infrastructure sectors as a result of non-rational user charges in some segments.

(d) In the Union budget 2003-04 several steps have been announced to improve the situation. These include the following:

- A major thrust to innovative funding mechanisms to be provided for 48 new road projects, renovation and modernization of airports, setting up of two international convention centres of global standards, funding of National Rail Vikas Yojana Projects.
- Additional funds to be made available for rural roads through additional cess on diesel of 50 paise.
- The mega power project policy to be liberalized further by extending all the benefits to any power project that fulfils the conditions already prescribed for mega projects.
- A special allocation of Rs. 20 crore to CSIR for launching incentive driven research in fields of solar energy, wind turbines, hydrogen fuel as alternative to fossil fuels.
- Water supply projects totally exempt in regard to capital goods and machinery both from customs and excise duties. In addition, pipes exempted from excise duty for bringing raw water from source to the treatment plant and for conveying treated plant water to the storage plant.

Violation of Foreign Exchange Regulations by MNCs

4693. SHRI NANDI YELLAIAH:

SHRIMATI N.P DURGA :

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Ministry of Finance has issued show-cause notices to 18 Multi National Companies for alleged violation of foreign exchange regulations involving over Rs. 170 crores;

(b) if so, the details of the companies to which show-cause notices were issued;

(c) the details of charges or violations made by the above companies, company-wise;

(d) the details of the explanation given by them in response to the show cause notices; and

(e) the progress of the cases filed against the above companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN) (a) Yes, Sir. The Directorate of Enforcement has issued notices to eighteen multinational companies, who were found to have contravened the provisions of Foreign Exchange Regulation Act (FERA), 1973.

(b) The names of these eighteen multinational companies are given in the enclosed Statement to this reply (*See* below).

(c) After investigations under the provisions of FERA, 1973, these companies were found to have paid salaries/perquisites abroad to their employees (foreign nationals) working in India, without obtaining the necessary permission of the Reserve Bank of India. They have been charged for contravening the provisions of FERA, 1973 as per details given in the Annexure.

(d) and (e) The explanations given by the companies are part of the adjudication proceedings which are quasi-judicial in nature. All these cases are pending with the adjudicating authority.

Statement

Names of Multi-National Companies to which Show Cause Notice(s) have been issued under the provisions of the Foreign Exchange Regulation Act, 1973

Sl. No.	Name of Multi-National Companies	Amount involved (Rs. in lakhs)	Sections of FERA contravened
1	2	3	4
1.	M/s Japan Airlines, New Delhi	103.47	8 (1) and 9 (1) (c) of FERA, 1973
2.	M/s Hyundai Motor (I) Ltd., New Delhi	804.50	8 (1) and 9 (1) (c) of FERA, 1973
3.	M/s Samsung Corporation, New Delhi	2403.93	8 (1) and 9 (1) (c) of FERA, 1973
4.	M/s Merubeni (I) Pvt. Ltd., New Delhi	983.72	8 (1) and 9 (1) (c) of FERA, 1973

1	2	3	4
5.	M/s Bank of Tokyo Mitsubishi Ltd., New Delhi	2043.19	8 (1) and 9 (1) (c) of FERA, 1973
6.	M/s Motorola (I) Ltd., Gurgaon	557.67	8 (1) and 9 (1) (c) of FERA, 1973
7.	M/s Mitsubishi Corporation, New Delhi	2052.92	8 (1) and 9 (1) (c) of FERA, 1973
8.	M/s Sanwa Bank Ltd. (UFJ Bank Ltd.), New Delhi	260.04	8 (1) and 9 (1) (c) of FERA, 1973
9.	M/s Bank of Nova Scotia, New Delhi	42.31	8 (1) and 9 (1) (c) of FERA, 1973
10.	M/s LG Electronics, New Delhi	80.63	8 (1) and 9 (1) (c) of FERA, 1973
11.	M/s Sony (I) Ltd., New Delhi	J. YEN— 574963183	8 (1) and 9 (1) (c) of FERA, 1973
12.	M/s Deutsche Bank, New Delhi	1343.42	8 (1) and 9 (1) (c) of FERA, 1973
13.	M/s Sakura Bank, New Delhi	J. YEN— 40978509	8 (1) and 9 (1) (c) of FERA, 1973
14.	M/s All Nippon Airways, New Delhi	147.33	8 (1) and 9 (1) (c) of FERA, 1973
15.	M/s Nokia Telecommunications, New Delhi	1086.02	8 (1) and 9 (1) (c) of FERA, 1973
16.	M/s Ericsson (I) Pvt. Ltd., New Delhi	3546.05	8 (1) and 9 (1) (c) of FERA, 1973
17.	M/s Daewoo Motors, New Delhi	266.68	8 (1) and 9 (1) (c) of FERA, 1973
18.	M/s Fuji Bank Ltd., New Delhi	280.88	8 (1) and 9 (1) (c) of FERA, 1973